UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:	)	Chapter 11
	)	
FORESIGHT ENERGY LP, *et al.*,	)	Case No. 20-41308-659
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	Related Docket No. 269

NOTICE OF FILING EXHIBITS D, E, AND F TO DISCLOSURE STATEMENT

PLEASE TAKE NOTICE THAT Foresight Energy LP and its debtor affiliates, as debtors and debtors in possession (collectively, the "Debtors"), hereby file Exhibits D, E, and F to the *Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Foresight Energy LP and Its Affiliated Debtors*, dated April 9, 2020 [Docket No. 269].

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Dated: April 20, 2020
St. Louis, Missouri

Respectfully submitted,

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Exhibit D

Valuation Analysis

VALUATION ANALYSIS

THE INFORMATION CONTAINED HEREIN IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN. THE INFORMATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION UNDER SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS OR ANY OF THEIR AFFILIATES.

Solely for the purposes of the Plan and the Disclosure Statement, Jefferies LLC, as investment banker to the Debtors, has estimated a range of the total enterprise value ("Enterprise Value") and implied equity value ("Equity Value") of the Reorganized Debtors and their direct and indirect subsidiaries on a consolidated going-concern basis and pro forma for the transactions contemplated by the Plan (the "Valuation Analysis"). The Valuation Analysis was based on financial information provided by the Debtors' management, as well as the Financial Projections attached to the Disclosure Statement as Exhibit F, and information provided by other sources. The Valuation Analysis assumes that the Effective Date of the Plan occurs on June 30, 2020.

Based on the Projections and other information described herein and solely for purposes of the Plan, Jefferies estimated that the potential range of the Enterprise Value of the Reorganized Debtors is approximately $430 million to $590 million (with the midpoint of such range being approximately $510 million).

In addition, based on the Projections and other information described herein and solely for purposes of the Plan, Jefferies estimated a potential range of total Equity Value of the Reorganized Debtors, which consists of the Enterprise Value, less funded indebtedness, plus balance sheet cash on the assumed Effective Date. Jefferies has assumed that the Reorganized Debtors will have funded indebtedness and capital leases of $225 million and a pro forma cash balance of $30 million as of the Effective Date. Based upon the estimated range of Enterprise Value of the Reorganized Debtors and assuming net debt of $195 million, Jefferies estimated that the potential range of Equity Value for the Reorganized Debtors is between approximately $235 million and $395 million (with the midpoint of such range being approximately $315 million).

The valuation estimates set forth herein represent a valuation analysis of the Reorganized Debtors generally based on the application of customary valuation techniques, including discounted cash flow analysis, comparable companies analysis and precedent transactions analysis. Ultimately, the precedents transaction analysis was not considered to be applicable given that the transactions reviewed by Jefferies were determined not to be comparable.

For purposes of the Valuation Analysis, Jefferies assumed that no material changes that would affect estimated value occur between the date of filing of this Disclosure Statement Exhibit and the assumed Effective Date. Jefferies's Valuation Analysis does not constitute an opinion as to fairness from a financial point of view of the consideration to be received or paid under the Plan, of the terms and provisions of the Plan or with respect to any other matters.

1. Valuation Methodologies

In preparing its valuation, Jefferies performed a variety of financial analyses and considered a variety of factors. The following is a brief summary of the material financial analyses utilized by Jefferies, which consisted of a (a) comparable companies analysis and (b) discounted cash flow analysis. This summary does not purport to be a complete description of the analyses performed and factors considered by Jefferies. The preparation of a valuation analysis is a complex analytical process involving subjective determinations about which methodologies of financial analysis are most appropriate and relevant and the application of those methodologies to particular facts and circumstances in a manner that is not readily susceptible to summary description.

a. **Comparable Companies Analysis:**

The comparable companies analysis estimates the value of a company based on a relative comparison with other publicly traded companies with similar operating and financial characteristics. Under this methodology, the enterprise value for each selected public company was determined by examining the trading prices for the equity securities of such company in the public markets and adding the aggregate market amount of outstanding net debt for such company and minority interest, less investments in affiliates when applicable. Those enterprise values are typically expressed as multiples of various measures of operating statistics, most commonly earnings before interest, taxes, depreciation and amortization ("EBITDA"). In addition, each of the selected public company's resource mix, mine life, mining methods, operational performance, operating margins, profitability, leverage, non-debt liabilities and business trends, among other factors, were examined. Based on these analyses, financial multiples and ratios are calculated to apply to the Reorganized Debtors' actual and projected operational performance. In performing its comparable company analysis, Jefferies focused on EBITDA multiples of the selected comparable companies to value the Reorganized Debtors. A key factor to this approach is the selection of companies with relatively similar business and operational characteristics to the Reorganized Debtors. Common criteria for selecting comparable companies for the analysis include, among other relevant characteristics, similar lines of businesses, business risks, growth prospects, maturity of businesses, location, market presence and size and scale of operations. The selection of appropriate comparable companies is often difficult, a matter of judgment, and subject to limitations due to sample size and the availability of meaningful market-based information.

Jefferies calculated market multiples for the comparable companies peer group by dividing enterprise value of each comparable company as of April 17, 2020 by the consensus projected 2020 EBITDA forecasts as estimated by equity research analysts. In selecting an applicable EBITDA multiple range to apply to the Reorganized Debtors, Jefferies considered a

variety of factors, including both qualitative attributes and quantitative measures such as historical and projected EBITDA and capital expenditure amounts, production/reserve profiles, mine life, mining methods, EBITDA margins, size, growth and similarity in business lines. Jefferies then applied the selected range of multiples to the Reorganized Debtors' 2020 forecasted EBITDA to determine a range of Enterprise Values.

b. **Discounted Cash Flow Analysis**

The discounted cash flow ("DCF") analysis is a forward-looking enterprise valuation methodology that estimates the value of an asset or business by calculating the present value of expected future cash flows to be generated by that asset or business. Under this methodology, projected future cash flows are discounted by the business' weighted average cost of capital (the "Discount Rate"). The Discount Rate reflects the estimated blended rate of return that would be required by debt and equity investors to invest in the business based on its capital structure. The Enterprise Value of the firm is determined by calculating the present value of the Reorganized Debtors' unlevered after-tax free cash flows based on the Projections plus an estimate for the value of the firm beyond the projection period known as the terminal value. The terminal value is derived by making certain adjustments to the forecasted cash flows to estimate "steady-state" cash flows beyond the forecast period and then applying a perpetuity growth rate. Jefferies then deducted the book value of total reclamation liabilities including end of mine life reclamation closure costs, which are not explicitly captured in the projections or terminal value calculation.

To estimate the Discount Rate, Jefferies used the cost of equity and the after-tax cost of debt for the Reorganized Debtors, assuming a targeted long-term debt-to-total capitalization ratio based on the capitalization of Foresight at exit from bankruptcy based on the Plan. Jefferies calculated the cost of equity based on the "Capital Asset Pricing Model," which assumes that the required equity return is a function of the risk-free cost of capital and the relationship between a publicly traded stock's performance and the return on the broader market. To estimate the cost of debt, Jefferies estimated the Reorganized Debtors' cost of debt based on the calculated yield on the Reorganized Debtors' proposed exit financing, among other factors considered. In determining the perpetuity growth rate for the purpose of deriving the terminal value, Jefferies relied upon various analyses including a review of the long-term expectations for the thermal coal industry in the United States, among other factors. Although formulaic methods are used to derive the key estimates for the DCF methodology, their application and interpretation still involve complex considerations and judgments concerning potential variances in the projected financial and operating characteristics of the Reorganized Debtors, which in turn affect its cost of capital and terminal growth rate.

In applying the above methodology, Jefferies utilized management's detailed Projections for the period beginning July 1, 2020, and ending December 31, 2024, to derive unlevered after-tax free cash flows. See Exhibit F. Free cash flow includes sources and uses of cash not reflected in the income statement, such as capital expenditures and changes in working capital, among others. These cash flows, along with the terminal value, are discounted back to the assumed Effective Date using a range of Discount Rates calculated in a manner described above to arrive at a range of Enterprise Values.

THE VALUATION ANALYSIS IN THIS EXHIBIT D REFLECTS WORK PERFORMED BY JEFFERIES ON THE BASIS OF INFORMATION IN RESPECT OF THE BUSINESS AND ASSETS OF THE DEBTORS AVAILABLE TO JEFFERIES AS OF APRIL 13, 2020 AND MARKET DATA AS OF APRIL 17, 2020. IT SHOULD BE UNDERSTOOD THAT, ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT JEFFERIES' CONCLUSIONS, JEFFERIES DOES NOT HAVE ANY OBLIGATION TO UPDATE, REVISE OR REAFFIRM ITS VALUATION ANALYSIS AND DOES NOT INTEND TO DO SO.

JEFFERIES DID NOT INDEPENDENTLY VERIFY THE PROJECTIONS OR OTHER INFORMATION THAT JEFFERIES USED IN THE VALUATION ANALYSIS, AND NO INDEPENDENT VALUATIONS OR APPRAISALS OF THE DEBTORS WERE SOUGHT OR OBTAINED IN CONNECTION THEREWITH. THE VALUATION ANALYSIS WAS DEVELOPED SOLELY FOR PURPOSES OF THE PLAN AND THE ANALYSIS OF POTENTIAL RELATIVE RECOVERIES TO CREDITORS THEREUNDER. THE VALUATION ANALYSIS REFLECTS THE APPLICATION OF VARIOUS VALUATION TECHNIQUES, DOES NOT PURPORT TO BE AN OPINION AND DOES NOT PURPORT TO REFLECT OR CONSTITUTE APPRAISALS, LIQUIDATION VALUES, OR ESTIMATES OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED OR ASSETS TO BE SOLD PURSUANT TO THE PLAN, WHICH MAY BE SIGNIFICANTLY DIFFERENT THAN THE AMOUNTS SET FORTH IN THE VALUATION ANALYSIS.

THE VALUE OF AN OPERATING BUSINESS IS SUBJECT TO NUMEROUS UNCERTAINTIES AND CONTINGENCIES, WHICH ARE DIFFICULT TO PREDICT AND WILL FLUCTUATE WITH CHANGES IN FACTORS AFFECTING THE FINANCIAL CONDITION AND PROSPECTS OF SUCH A BUSINESS. AS A RESULT, THE VALUATION ANALYSIS IS NOT NECESSARILY INDICATIVE OF ACTUAL OUTCOMES, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN THOSE SET FORTH HEREIN. BECAUSE SUCH ESTIMATES ARE INHERENTLY SUBJECT TO UNCERTAINTIES, NEITHER THE DEBTORS, JEFFERIES NOR ANY OTHER PERSON ASSUMES RESPONSIBILITY FOR THEIR ACCURACY. IN ADDITION, THE POTENTIAL VALUATION OF NEWLY ISSUED SECURITIES IS SUBJECT TO ADDITIONAL UNCERTAINTIES AND CONTINGENCIES, ALL OF WHICH ARE DIFFICULT TO PREDICT. ACTUAL MARKET PRICES OF SUCH SECURITIES AT ISSUANCE WILL DEPEND UPON, AMONG OTHER THINGS, PREVAILING INTEREST RATES, CONDITIONS IN THE FINANCIAL AND COMMODITY MARKETS, THE ANTICIPATED INITIAL SECURITIES HOLDINGS OF PREPETITION CREDITORS, SOME OF WHICH MAY PREFER TO LIQUIDATE THEIR INVESTMENT RATHER THAN HOLD IT ON A LONG-TERM BASIS, THE POTENTIALLY DILUTIVE IMPACT OF CERTAIN EVENTS, INCLUDING THE ISSUANCE OF EQUITY SECURITIES UPON THE EXERCISE OF WARRANTS OR PURSUANT TO ANY EMPLOYEE INCENTIVE COMPENSATION PLAN, AND OTHER FACTORS WHICH GENERALLY INFLUENCE THE PRICES OF SECURITIES.

Jefferies assumed that the Projections were reasonably prepared in good faith and on a basis reflecting the Debtors' best estimates and judgments as to the future operating and financial performance of the Reorganized Debtors. The Valuation Analysis assumed that the actual performance of the Reorganized Debtors will correspond to the Projections in all material respects. If the business performs at levels below or above those set forth in the Projections, such performance may have a materially negative or positive impact, respectively, on the Valuation Analysis and estimated potential ranges of Enterprise Value and Equity Value therein.

The Valuation Analysis does not constitute a recommendation to any holder of Allowed Claims or any other person as to how such person should vote or otherwise act with respect to the Plan. Jefferies has not been requested to and does not express any view as to the potential trading value of the Reorganized Debtors' securities on issuance or at any other time.

The Projections include assumptions and estimates regarding the value of tax attributes and the impact of any cancellation of indebtedness income on the Reorganized Debtors. Such matters are subject to many uncertainties and contingencies that are difficult to predict. Any changes to the assumptions on the availability of tax attributes or the impact of cancellation of indebtedness income could materially impact the Valuation Analysis.

THE SUMMARY SET FORTH IN THIS EXHIBIT D DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE VALUATION ANALYSIS PERFORMED BY JEFFERIES. THE PREPARATION OF A VALUATION ANALYSIS INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ANALYSIS IS NOT READILY SUITABLE TO SUMMARY DESCRIPTION. THE VALUATION ANALYSIS PERFORMED BY JEFFERIES IS NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN THOSE DESCRIBED HEREIN.

JEFFERIES IS ACTING AS INVESTMENT BANKER TO THE DEBTORS, AND HAS NOT BEEN, WILL NOT BE RESPONSIBLE FOR AND WILL NOT PROVIDE ANY TAX, ACCOUNTING, ACTUARIAL, LEGAL OR OTHER SPECIALIST ADVICE.

Exhibit E

Liquidation Analysis

FORESIGHT ENERGY LP, *et al*

Hypothetical Liquidation Analysis

April 20, 2020

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FORESIGHT ENERGY LP, *et al.*
Hypothetical Liquidation Analysis[1]

1. Introduction

Section 1129(a)(7) of the Bankruptcy Code requires that each holder of an impaired allowed claim or interest either (i) accepts the plan of reorganization, or (ii) receives or retains under the plan, as of the effective date of the plan, value that is not less than the value such holder would receive or retain if the applicable debtor were liquidated under chapter 7 of the Bankruptcy Code on the effective date. This is often referred to as the "Best Interests Test."

The management of Foresight Energy LP and its subsidiaries (collectively, the "**Debtors**") believes that the Debtors' plan of reorganization (the "**Plan**") satisfies the Best Interests Test, and that the holders of allowed claims and equity interests in each impaired class will receive at least as much under the Plan as they would if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. To demonstrate that the Plan satisfies the Best Interests Test, the Debtors present this hypothetical liquidation analysis (the "**Liquidation Analysis**").

The Liquidation Analysis was prepared by FTI Consulting, Inc. ("**FTI**"), one of the Debtors' professionals, with the assistance of and based on information provided by the Debtors' management and other professionals retained by the Debtors. Underlying this Liquidation Analysis are a number of estimates and assumptions that are inherently subject to significant economic, competitive, and operational uncertainties and contingencies beyond the control of the Debtors. The Debtors believe that this Liquidation Analysis and the conclusions set forth herein are fair and accurate and represent the best judgment of FTI and the Debtors' management with regard to the results of a hypothetical chapter 7 liquidation of the Debtors.

Section 2 hereof summarizes the general approach used to create this Liquidation Analysis, including certain high-level assumptions. Section 3 provides an overview of the Liquidation Analysis itself, and a more detailed summary is attached hereto as **Annex 1**. Section 4 notes certain more-detailed assumptions upon which the Liquidation Analysis is based.

2. General Approach

The Liquidation Analysis sets forth the estimated values that might be obtained upon disposition of the Debtors' assets pursuant to a hypothetical chapter 7 liquidation, as an alternative to continued operation of the business as proposed under the Plan. Accordingly, the values discussed herein are different from amounts referred to in the Plan, which illustrates the value of the Debtors' business as a going concern.

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[1] Capitalized terms not defined herein shall have the meanings ascribed to them in the Disclosure Statement, to which this analysis is attached as Exhibit E.

The Liquidation Analysis assumes a hypothetical conversion of the Debtors' Chapter 11 Cases to a chapter 7 liquidation on May 31, 2020 (the "**Liquidation Date**"). Subject to certain *pro forma* adjustments as set forth herein, the balance sheets of each of the Debtors as of February 29, 2020 are used as reasonable proxies for their respective hypothetical balance sheets as of the Liquidation Date.

The Liquidation Analysis acknowledges that Debtors filed for protection under chapter 11 of the bankruptcy code on March 10, 2020 and were successful in obtaining the DIP Facility, comprised of (a) $100 million in principal amount of DIP New Money Commitments and (b) $75 million in principal amount of DIP Roll-Up Loans. The Liquidation Analysis assumes that a trustee must be successful in obtaining either use of cash collateral or new financing to manage the chapter 7 process to its completion.

The Liquidation Analysis assumes a shutdown of operations following a conversion to chapter 7 and that none of the Debtors' assets would be sold as going-concern businesses. This assumption is made because of the assessment of the Debtors' management and advisors that, in the wake of chapter 7 conversions and consequent disruption and attrition, there is a low likelihood that the Debtors or substantial business units of the Debtors could continue operations and do so in a manner that yields material positive incremental cash flow. Furthermore, the Debtors' businesses are managed and run by mine-complex based business units across legal entities and localities, and certain business functions, such as sales and marketing, engineering, finance, legal, and human resources are shared across business units. These factors increase the complexity of selling business units as going concerns, as well as the difficulty of obtaining additional financing for such a sale process.

The liquidation of all of the Debtors' assets is assumed to occur following the conversion. For purposes of the Liquidation Analysis, lower-recovery and higher-recovery estimates were made based on two scenarios for the liquidation:

1. Lower-Recovery Scenario: The lower-recovery scenario assumes forced liquidation values ("**FLV**"), wherein circumstances compel the Debtors to sell their assets with immediacy. In this scenario, substantially all assets are assumed to be sold by the chapter 7 trustee within a 90-day period. Following the primary liquidation phase, an additional 12-month period is assumed to be required for the administrative completion of the chapter 7 case.

2. Higher-Recovery Scenario: The higher-recovery scenario assumes orderly liquidation values ("**OLV**"), wherein circumstance enable a chapter 7 trustee a reasonable period of time to manage a process to prepare, market, and sell assets. In this scenario, substantially all assets are assumed to be sold by the chapter 7 trustee within a 12-month period. Following the primary liquidation phase, an additional 12-month period is assumed to be required for the administrative completion of the chapter 7 case.
3. Mid-Range Scenario: The mid-recovery scenario is calculated as the mean of the lower-recovery scenario and the higher-recovery scenario.

Estimated liquidation values of all asset categories on both an FLV and OLV basis were based on the business judgment and experience of the Debtors' management and advisors.

In both lower-recovery and higher-recovery scenarios, a source of funding (whether from use of cash collateral or from third- party financing) is assumed. The higher-recovery scenario requires additional resources from the Debtors and the chapter 7 trustee's professionals over a longer period in order to realize greater asset values, compared to the lower-recovery scenario. The likelihood of obtaining sufficient funding to conduct the liquidation process assumed in the either scenario is highly speculative. To the extent sufficient funding cannot be procured, the estimated proceeds from the hypothetical liquidation of the Debtors' assets would be less than those reflected in the Liquidation Analysis, decreasing estimated recoveries (or in the case of Classes projected to receive 0% recovery, estimated recoveries would remain 0%).

The Liquidation Analysis assumes that holders of Claims and Interests recover (if at all) according to their relative priority under applicable law. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims. Accordingly, the Debtors' good-faith estimates of Allowed Claims are used for purposes of this Liquidation Analysis. Such estimates are based upon: (a) the Claims listed on the Debtors' Schedules; (b) the Proofs of Claim filed to date; and (c) the Debtors' estimates of additional Claims that are not currently asserted in these Chapter 11 Cases but that would be asserted and allowed in a chapter 7 liquidation, such as trustee and professional fees, operational wind-down costs, and other Claims that would be entitled to administrative expense priority ("**Administrative Claims**"). The Debtors recognize that the conversion of their Chapter 11 Cases to a chapter 7 liquidation would trigger additional General Unsecured Claims, such as rejection damages Claims for executory contracts that would be assumed under the Plan. The Debtors, however, have not exhaustively estimated all such Claims for purposes of the Liquidation Analysis because they do not believe that the inclusion of such additional Claims would have a material impact on the conclusions of the Liquidation Analysis.

NOTHING CONTAINED IN THIS LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ESTIMATED AMOUNT OF ALLOWED CLAIMS SET FORTH IN THIS LIQUIDATION ANALYSIS SHOULD NOT BE RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING, WITHOUT LIMITATION, ANY DETERMINATION OF THE VALUE OF ANY DISTRIBUTION TO BE MADE ON ACCOUNT OF ALLOWED CLAIMS UNDER THE PLAN. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THESE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

The determination of the cost of and hypothetical proceeds from the liquidation of the Debtors' assets is an uncertain process involving the extensive use of estimates and assumptions that, although considered reasonable by the Debtors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the

control of the Debtors, their management, and their advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could affect the ultimate results in an actual chapter 7 liquidation. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good faith estimate of the proceeds that would be generated if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code. The underlying financial information in the Liquidation Analysis was not compiled or examined by an independent accountant.

NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN, OR A TRUSTEE'S ABILITY TO ACHIEVE FORECASTED RESULTS. IN THE EVENT THAT THESE CHAPTER 11 CASES ARE CONVERTED TO A CHAPTER 7 LIQUIDATION, ACTUAL RESULTS COULD VARY MATERIALLY FROM THE ESTIMATES AND PROJECTIONS SET FORTH IN THIS LIQUIDATION ANALYSIS.

3. Summary of Results

The proceeds from the hypothetical liquidation of the assets of each Debtor were estimated based on the assumptions discussed herein, and then applied to the estimated amounts of Allowed Claims against each such Debtor to determine liquidation recovery estimates for each Class of Claims and Interests under the Plan. These liquidation recovery estimates were compared to the estimated recoveries under the Plan. As shown in the table below, for each Class of Claims or Interests, liquidation under chapter 7 of the Bankruptcy Code would yield recoveries that are no better—and, in many cases, worse— than the recoveries available pursuant to the proposed chapter 11 Plan.

Class	Description	Estimated Recovery Under the Plan	Estimated Recovery in Liquidation		
			Low	Mid	High
N/A	DIP Claims	100%	58%	100%	100%
1	Other Secured Claims	100%	N/A	N/A	N/A
2	Other Priority Claims	100%	0%	0%	0%
3	First Lien Facility Claims	26.9%	0%	2%	12%
4	Second Lien Notes Claims	3.8%	0%	0%	0%
5	General Unsecured Claims	TBD	0%	0%	0%
7	Intercompany Claims	100% or 0%	0%	0%	0%
8	Intercompany Interests	100% or 0%	0%	0%	0%
9	Interests in FELP and Interests in GP LLC	0%	0%	0%	0%
N/A	Priority Tax Claims	100%	0%	0%	0%
N/A	Administrative Claims	100%	0%	0%	0%

4. Notes to the Liquidation Analysis

The Liquidation Analysis reflects the estimated proceeds generated from the liquidation of the assets in addition to cash estimated to be held by the Debtors on the Liquidation Date that would be available to a chapter 7 trustee for distribution (collectively, the "**Liquidation Proceeds**"). The trustee would use the Liquidation Proceeds to satisfy first the cost of the liquidation, including wind-down costs and trustee fees (such costs, the "**Liquidation Costs**"), and Secured Claims, Administrative Claims, Priority Claims, including additional claims that are estimated to be triggered by a chapter 7 liquidation. Any remaining net Liquidation Proceeds would then be allocated to holders of General Unsecured Claims and Equity Interests in accordance with the priorities set forth in section 726 of the Bankruptcy Code.

The Liquidation Analysis provides for higher- and lower-recovery percentages for Claims and Interests upon the trustee's application of the Liquidation Proceeds. The higher- and lower-recovery ranges reflect higher and lower ranges of estimated Liquidation Proceeds from the trustee's sale of the Debtors' assets and the cost of conducting the liquidation and administering the chapter 7 case, based largely upon differences in the time allotted for monetization of assets, described previously. The mid-recovery scenario is calculated as the mean of the lower-recovery scenario and the higher-recovery scenario.

1. Book Values

- Unless otherwise stated, the book values used in the Liquidation Analysis are the unaudited net book values of each of the Debtors as of February 29, 2020.[2] These book values, in combination with pro forma adjustments, are assumed to be representative of the Debtors' assets as of the hypothetical Liquidation Date.
- The book values have not been subject to any completed review, compilation or audit by an independent accounting firm due to the timing of this analysis.

2. Cash (Including Cash Equivalents)

- The liquidation values for each of the Debtors are based on forecasted Cash balances as of May 31, 2020, which take into account the Debtors' projected use of Cash between March 10, 2020 and the hypothetical Liquidation Date.
- The Liquidation Analysis assumes that the Debtors' operations during the liquidation period would not generate additional Cash available for distribution except for proceeds from the disposition of non-Cash assets.

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[2] The individual balances presented herein as "unaudited" balances as of February 29, 2020 are not audited on a stand-alone basis. Such individual amounts are consistent with the Debtors' general ledger and accounting records underlying its unaudited February 29, 2020 financial statements.

- The liquidation value of all Cash held by the Debtors is estimated to be 100% of the projected net book value as of the Liquidation Date as no third parties have control of any Cash.

3. *Trade Accounts Receivable*

- The analysis of accounts receivable assumes that a chapter 7 trustee would retain certain existing staff to handle an aggressive collection effort for the Debtors' outstanding trade accounts receivable.

- The Debtors' trade receivables are generally concentrated among a relatively small group of comparatively large customers, primarily utilities. The Debtors' analysis takes into consideration the risk that collections during a liquidation of the Debtors may be compromised by claims for damages for breaches of customer contracts, especially where the pricing of such contracts is below the expected replacement pricing for similar volumes. Customers may attempt to set off outstanding amounts owed to the Debtors against such claims.

- For purposes of the Liquidation Analysis, the liquidation values of accounts receivable were estimated to range from 80% to 90% of the net book values.

4. *Other Receivables*

- "Other Receivables" is comprised primarily of rebates due from vendors. Recouping money from vendors whose purchase orders and contracts will be broken, and invoices gone unpaid is anticipated to present significant challenges. As such, no recovery is estimated for the Other Receivables.

5. *Due from Affiliates*

- The Debtors have extensive relationships with parties that hold equity positions in or are otherwise affiliated with the Debtors. These affiliated parties include Murray Energy, Foresight Reserves, and Javelin.

- Collection of other amounts from the affiliated parties will be very difficult because the affiliated parties will likely claim offsetting amounts due from the Debtors, further reducing the likelihood of any payments. In addition, Murray Energy filed for Chapter 11 protection prior to the Debtors and will likely continue to be in bankruptcy as of the Liquidation Date.

    - Affiliated party Javelin is expected to claim certain setoffs and other claims in a liquidation of the Debtors, reducing expected recoveries to 15% to 40%.

6. *Financing Receivables from Affiliates*

- "Financing Receivables" from the affiliated parties relate to the accounting for sale/leaseback arrangements between the Debtors and certain affiliates. In a liquidation scenario, this contract would likely be rejected resulting in no value in a liquidation.

7. *Inventories – Parts and Supplies*

- "Parts and Supplies" consist of the net book value of parts and supplies, which include explosives, tires, steel and other raw materials as well as spare parts and other consumables used in the mining process. Amounts displayed are net of an allowance for obsolescence.

- Parts and Supplies used in the mining process tend to be very specialized and may be used to support equipment and machinery specific to the Debtors. As a result, it is estimated that the recovery rate for Parts and Supplies will be between 20% and 35%.

8. *Inventories – Coal*

- The Debtors' coal inventories are composed primarily of processed coal and a minor amount of raw coal located at various mining complexes, preparation plants, and trans-loading facilities. The Liquidation Analysis assumes that raw coal inventories as of the Liquidation Date would be cleaned and processed following the conversion and would be sold at comparable values compared to processed coal.

- Revenues from the liquidation of coal inventory would be reduced by the payment of extraction taxes and royalties.

- In the event of liquidation, it is anticipated that due to the challenging environment in the current coal market, return on sales of inventory would be materially impaired. Furthermore, typically coal held in inventory for extended periods tends to be of lesser quality, yielding lower value in the event of a sale. As a result, it is estimated that the recovery rate on coal inventory will be between 35% and 55%.

9. *Deferred Longwall Costs*

- The costs incurred to prepare operations for longwall mining are significant. For accounting purposes, these costs are not expensed as incurred. Rather, they are capitalized on the balance sheet and expensed as the coal is mined in the future. This book asset would have no value in a liquidation.

10. *Prepaids and Other Assets*

- "Prepaids and Other Assets" consist of the net book value of prepayments of royalties due to lessors of leased mineral rights recoupable against royalties owed on future

revenues from the underlying coal. This category also includes the book value of prepayments to insurance providers, surety bond issuers and prepayments to satisfy other requirements of third parties.

- Recouping money for prepaid royalties from lessors whose leases will be broken and royalties gone unpaid and from parties whose relationships with the Debtors will likely be terminated, is anticipated to present significant challenges. As such, no recovery is estimated for the current portion of prepaid royalties.

11. Contract Intangible Asset

- This de minimis book asset would have no value in a liquidation.

12. Mineral Rights, Land and Land Rights

- Mineral Rights
    - "Mineral Rights" includes asset and accumulated depletion accounts for mineral rights, land and land rights, the leased and owned coal interests ("**Coal Reserves**"), as well as surface land. The majority of the coal mined by the Debtors is not owned by the Debtors, rather, the coal is owned by third parties. These third parties range from large companies whose business is to own and lease coal to small individual land owners.
    - Hillsboro, Macoupin and Williamson Mines: Coal Reserves at the Hillsboro, Macoupin and Williamson mines are leased from Natural Resource Partners ("**NRP**"). All of the Debtors' mines are located in Southern Illinois. Upon the occurrence of an event of default by the Debtors under such leases, NRP has certain rights to make claims or take actions against the assets located at the Hillsboro, Macoupin and Williamson mines. Thus, no recovery is estimated for these assets.
    - Sugar Camp Mine: The following discussion applies to Mineral Rights at properties of the Sugar Camp Mine where the Coal Reserves are not leased from NRP.
        - The U.S. coal market is in decline with constant pressures on production volumes and prices. In a market with extensive supply, heavy regulation, and a current plethora of assets available for sale, it is anticipated that it will be difficult to capture the value of current Coal Reserves even though the ARO liabilities associated with these assets are assumed to be guaranteed by the surety bonds currently in place (see Note 15 related to wind-down costs).
        - Additionally, the majority of the Debtors' Coal Reserves are leased from third parties (the "**Lessors**"). Once a liquidation process commences, it is likely that the Lessors would attempt to initiate legal

actions to regain control of the Coal Reserves. These actions would, at a minimum, chill the marketing process and could preclude any sale of the Coal Reserves by the Debtors.

- The Debtors and their advisors estimate the potential recoveries for Coal Reserves as of May 31, 2020 will range between 0% (should Lessors legal actions preclude a sale of the Coal Reserves) and 15% (where sale of the Coal Reserves is possible but hampered by the poor marketing environment) of asset value. To avoid the double counting of the estimated liquidation proceeds, those amounts discussed in the following category, Land and Land Rights, have been deducted from this category, Mineral Rights.

- Land and Land Rights

  - This category includes Debtor-owned land (approximately 10,000 acres) and contracted land rights including rights-of-way. The primary land uses in the vicinity of the Debtors' mines are coal mining and agriculture with the estimated sale price per acre for land outside the permitted or undisturbed areas from $1,000 to $5,000 per acre depending on location and current use. The amount per acre for land located within the permitted or disturbed areas is estimated to bring 50% of the undisturbed land. This results in an estimated recovery rate of between 32% and 54% of net book value.

13. Net Plant and Equipment

- "Net Plant and Equipment" includes asset and accumulated depreciation accounts for fixed assets, including:
  - Buildings and Structures—which primarily consists of preparation plants, load-outs, and land as well as leasehold and building improvements;
  - Machinery and Equipment—which primarily consists of mining, and support equipment, as well as vehicles, power distribution equipment, and office equipment;
  - Furniture and Fixtures—which include the additions and improvements to make office buildings functionable; and
  - Computer Equipment—which includes equipment support the IT functions at the mines and corporate offices.
- Net Plant and Equipment is estimated to return an average of between 7% and 15% of the net asset value across all mines.

- Hillsboro, Macoupin and Williamson Mines

    - As discussed above, the Coal Reserves at the Hillsboro, Macoupin and Williamson mines are leased from NRP. Upon the occurrence of an event of default by the Debtors under such leases, NRP has certain rights to make claims and take actions against the assets located at these mines.

    - In the case of Hillsboro, NRP has a claim against the plant and equipment located both underground and on the surface. Thus, no recovery is estimated for these assets.

    - At Macoupin and Williamson, NRP has a claim against the plant and equipment located underground but not against plant and equipment on the surface. Thus, no recovery is estimated for the underground assets.

- Other Properties: The following discussion applies to Net Plant and Equipment at properties of the Debtors other than the Hillsboro, Macoupin and Williamson mines.

    - A majority of the stationary items such as prep plants, crushers, and office buildings are projected to return near zero value as the cost to dismantle and dispose of such assets is estimated to equal or exceed their sale value.

    - Related to moveable machinery and equipment, the market continues to be flooded with new and used mining equipment for sale. Recovery of 20% to 40% of net book value has been used for this analysis.

    - Large lots of office furniture and fixtures generally can be liquidated at 25% of book value. Due to the remote location of the Debtors' office furniture and fixtures and attendant moving costs, the Liquidation Analysis uses an estimated liquidation value of 10% to 20% of book value.

    - The liquidation value of the Debtors' computer equipment is estimated between 10% to 20% of book value.

14. Other Long-Term Assets

- This asset category consists of several long-term deposits and operating-lease right-of-use assets.

- o The Debtors' long-term deposits support their (a) surety-bond program and (b) worker-compensation-insurance program.[3] Any recovery would be difficult since the related third parties would, probably successfully, take control of the deposits and offset them against future liabilities. No recovery is estimated for this category.

- o Operating-lease right-of-use assets are related to lease accounting and would have no value in a liquidation.

15. Liquidation Costs

- Liquidation Costs are based on historical experience in other chapter 7 cases and are estimated to range between 1.5% and 3% of the Liquidation Proceeds, excluding Cash.

  - o The Liquidation Costs include the projected fees of attorneys, financial advisors, accountants, and other professionals retained by the chapter 7 trustee or the Creditors' Committee. The Liquidation Analysis assumes that professional fees would range from $8 million to $15 million, based on $0.9 million of estimated fees per month during the primary liquidation phase (three, seven and ½, and twelve months in the lower, middle, and higher-recovery scenarios).

  - o The wind-down costs also assume that all operations workers receive WARN notices on the hypothetical conversion date and stay on staff for 90 days post-conversion to shut down the mines, mothball and remove equipment, assist with the liquidation of coal inventory, and prepare the mines for liquidation/sale. A certain level of SG&A staff will need to be retained over the liquidation period to assist the trustee and its advisers to realize the projected liquidation values and assist the trustee's maintenance of the Debtors' books and records and ongoing affairs. These resources are assumed to diminish over time as the assets are liquidated.

  - o Transaction costs (such as broker or liquidator fees) related to the liquidation of owned and leased Coal Reserves, other land assets, and other fixed assets (principally buildings, machinery, and equipment) are not included as a separate cost of the liquidation process, but rather incorporated and netted from projected Liquidation Proceeds of such assets.

16. Claims

- o The categories of Claims used in the Liquidation Analysis are consistent with the definitions and descriptions in the Plan and Disclosure Statement Documents. They include the following:

  - o <u>DIP Claims</u>: This category includes $175 million of principle related Claims plus accrued interest from the last interest payment date through May 31,

[3] These programs and the related deposits are described in more detail in the Debtors' first day pleadings. *See* Surety Bond Motion [ECF No. 9]; Wages and Workforce Obligations Motion [ECF No. 6].

2020 for a total Claim amount of $176 million. These Claims arise from, under or in connection with the DIP Facility. The Liquidation Analysis estimates such Claims would receive between 58% to 100% recovery in a chapter 7 liquidation.

- First Lien Facility Claims: This category includes approximately $844 million of Claims arising from, based upon, or relating to the First Lien Credit Agreement Documents (net of $75 million of DIP Roll-Up Loans). The Liquidation Analysis estimates that such Claims would recover between 0% and 12% in a chapter 7 liquidation.

- Second Lien Notes Claims: This category includes approximately $472 million of Claims arising from, based upon, or relating to the Second Lien Notes Indenture. The Liquidation Analysis estimates such Claims would receive no recovery in a chapter 7 liquidation.

- Administrative Claims: This category includes Claims entitled to administrative priority, including Claims entitled to such priority under section 503(b)(9) of the Bankruptcy Code. The Liquidation Analysis estimates that there would be approximately $39 million of such Claims, all of which would receive no recovery in a chapter 7 liquidation.

- Priority Tax and Other Priority Claims: This category includes Claims entitled to priority under section 507(a) of the Bankruptcy Code, excluding Administrative Claims. The Liquidation Analysis estimates that there would be approximately $12 million of such Claims, all of which would receive no recovery in a chapter 7 liquidation.

- General Unsecured Claims: This category includes any Claim that is not (a) a DIP Claim, (b) an Administrative Claim or Statutory Fee, (c) a Priority Tax Claim, (d) a Priority Tax and Other Priority Claim, (e) an Other Secured Claim, (f) a First Lien Facility Claim, (g) a Second Lien Notes Claim, or (h) an Intercompany Claim. The Liquidation Analysis estimates that there would be approximately $75 million of such Claims. The Liquidation Analysis estimates that all such Claims would receive no recovery in a chapter 7 liquidation.

  - $12 million of the estimated General Unsecured Claims are estimated rejection-damages Claims. As discussed above, the Debtors have not exhaustively estimated all such Claims for purposes of the Liquidation Analysis because they do not believe that the inclusion of such additional Claims would have a material impact on the conclusions of the Liquidation Analysis.

- Intercompany Claims: This category includes all Claims against a Debtor that are held by another Debtor. The Liquidation Analysis estimates that such Claims would receive no recovery in a chapter 7 liquidation.

- Interests in FELP and Interests in GP LLC: This category includes all Interests in GP LLC and all Interests in FELP, including the FELP Common LP Units, the FELP Subordinated LP Units, and the IDRs. The Liquidation Analysis estimates that such Interests would receive no recovery in a chapter 7 liquidation.

ANNEX 1

Summary of Debtors' Liquidation Analysis

Annex 1: Summary of Debtors' Liquidation Analysis

($ in thousands)	Footnotes:	Book Value[1]	Estimated Recovery Rates Low	Mid	High	Estimated Recovery Values Low	Mid	High
Liquidation Proceeds:								
Cash and Cash Equivalents	2	50,125	100%	100%	100%	$ 50,125	$ 50,125	$ 50,125
Trade Accounts Receivable	3	11,439	80%	85%	90%	9,151	9,723	10,295
Other Receivables	4	1,921	0%	0%	0%	-	-	-
Due from affiliates	5	21,474	6%	11%	17%	1,337	2,451	3,566
Financing Receivables from Affiliates	6	60,111	0%	0%	0%	-	-	-
Inventory - Parts & Supplies	7	14,494	20%	28%	35%	2,899	3,986	5,073
Inventory - Coal	8	55,121	35%	45%	55%	19,292	24,804	30,317
Deferred longwall costs	9	20,059	0%	0%	0%	-	-	-
Prepaids and Other Assets	10	24,912	0%	0%	0%	-	-	-
Contract Intangible Asset	11	586	0%	0%	0%	-	-	-
Mineral rights, land, and land rights (net)	12	1,281,006	1%	7%	12%	17,360	85,092	152,825
Plant, equipment, and development (net)	13	624,493	7%	11%	15%	45,946	68,918	91,891
Other long-term assets	14	13,512	0%	0%	0%	-	-	-
Total Assets/Gross Proceeds		**$ 2,179,254**	**7%**	**11%**	**16%**	**$ 146,111**	**$ 245,101**	**$ 344,091**

[1]Total book value balance differs from ending 2/29 balance sheet due to cash being projected as of 5/31.

		Low	Mid	High
Less Liquidation Costs:				
Trustee Fees	15	(4,409)	(3,645)	(2,880)
Professional Fees	15	(7,656)	(11,484)	(15,312)
Wind-down Costs	15	(31,145)	(38,931)	(44,770)
Total Liquidation Costs		**$ (43,210)**	**$ (54,060)**	**$ (62,962)**
Net Liquidation Proceeds		**$ 102,900**	**$ 191,041**	**$ 281,129**

Estimated Claims and Recoveries:		Estimated Claims	Estimated Recovery Rates Low	Mid	High	Estimated Recovery Values Low	Mid	High
Secured claims	16							
DIP Facility Claims		176,698	58%	100%	100%	102,900	176,698	176,698
First Lien Claims		843,930	0%	2%	12%	-	14,343	104,431
Second Lien Claims		472,122	0%	0%	0%	-	-	-
Other Secured Claims		-	N/A	N/A	N/A	-	-	-
Total Secured Claims		**$ 1,492,750**				**$ 102,900**	**$ 191,041**	**$ 281,129**
Administrative Expense Claims		38,837	0%	0%	0%	-	-	-
Other Priority Claims		11,994	0%	0%	0%	-	-	-
General Unsecured Claims		74,911	0%	0%	0%	-	-	-
Intercompany Claims		-	N/A	N/A	N/A	-	-	-
Total Claims and Recoveries		**$ 1,618,492**				**$ 102,900**	**$ 191,041**	**$ 281,129**

Exhibit F

Financial Projections

Financial Projections

As further discussed below, the Debtors believe the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtors.

In connection with developing the Plan, and for purposes, in part, of determining whether the Plan satisfies feasibility standards and the Reorganized Debtors' ability to meet their obligations under the Plan and to maintain sufficient liquidity and capital resources to conduct their business, the Debtors' management has developed financial projections (the "Financial Projections") for Reorganized Foresight for 2020-2024 (the "Projection Period"). The Financial Projections with respect to Reorganized Foresight are attached hereto as Exhibit 1. The Financial Projections include projected consolidated (a) income statements, (b) balance sheets and (c) statements of cash flows for the Projection Period.

The Projections were prepared by the Debtors' management team ("Management") and are based on a number of assumptions made by Management with respect to the future performance of the reorganized Debtors' consolidated operations. The Debtors' Board of Directors was not asked to, and thus did not, approve the Projections or evaluate or endorse the Projections or the assumptions underlying the Projections. The Debtors believe that Reorganized Foresight will have sufficient liquidity to fund obligations as they arise, thereby maintaining value. Accordingly, the Debtors believe the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code. The Debtors prepared the Financial Projections in good faith, based upon estimates and assumptions made by the Debtors' management.

The Financial Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated by the assumed Effective Date. Any significant delay in the assumed Effective Date of the Plan may have a material negative impact on the operations and financial performance of the Debtors, including, but not limited to, an increased risk of inability to meet sales forecasts and the incurrence of higher reorganization expenses. Additionally, the estimates and assumptions in the Financial Projections, although considered reasonable by management, may not be realized, and are inherently subject to risks, uncertainties, and contingencies. They also are based on factors such as industry performance, general business, economic, competitive, regulatory, industry, environmental, and financial conditions, all of which are difficult to predict and generally beyond the Debtors' control. The Financial Projections include macroeconomic assumptions developed for key variables. Because future events and circumstances may well differ from those assumed and unanticipated events or circumstances may occur, the Debtors expect that the actual and projected results will differ. Accordingly, the actual results may be materially different from those reflected in the Financial Projections.

No representations can be made as to the accuracy of the Financial Projections or Reorganized Foresight's ability to achieve the projected results. Therefore, the Financial Projections may not be relied upon as a guaranty or other assurance of the actual results that will occur. The inclusion of the Financial Projections should not be regarded as an indication that the

Debtors considered or consider the Financial Projections to reliably predict future performance. The Financial Projections are subjective in many respects and, thus, are susceptible to interpretations and periodic revisions based on actual experience and recent developments. The Debtors do not intend to update or otherwise revise the Financial Projections to reflect the occurrence of future events, even in the event that assumptions underlying the Financial Projections do not come to fruition. The Financial Projections should be read in conjunction with the assumptions and qualifications set forth therein.

The Projections were not prepared with a view toward compliance with published guidelines of the SEC or guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. These Projections do not reflect the complete or full impacts of "fresh start accounting," which could result in a material change to any of the projected values. Emergence is assumed to occur on July 1, 2020 for the purposes of these projects.

The Debtors' independent accountants have neither examined nor compiled the accompanying financial projections and accordingly do not express an opinion or any other form of assurance with respect to the Projections, do not assume responsibility for the Projections, and disclaim any association with the Projections.

Although Management has prepared the Projections in good faith and believes the assumptions to be reasonable, it is important to note that management cannot provide assurance that such assumptions will be realized. As described in detail in the Disclosure Statement, a variety of risk factors could affect future financial results and must be considered. Accordingly, the Projections should be reviewed in conjunction with a review of the disclaimers and risk factors set forth in the Disclosure Statement and the assumptions described therein, including all relevant qualifications and footnotes.

THE FINANCIAL PROJECTIONS SET FORTH IN EXHIBIT 1 ARE BASED UPON A NUMBER OF ESTIMATES AND ASSUMPTIONS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT RISKS, UNCERTAINTIES, AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS OR REORGANIZED FORESIGHT. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT PROJECTIONS WOULD BE REALIZED IF THE PLAN WERE TO BECOME EFFECTIVE, AND ACTUAL RESULTS COULD VARY. THE DEBTORS, THE REORGANIZED DEBTORS AND ANY AFFILIATED ENTITY DO NOT INTEND TO UPDATE OR OTHERWISE REVISE THESE PROJECTIONS OR TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE OF THESE PROJECTIONS OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS NOR TO INCLUDE SUCH INFORMATION IN DOCUMENTS REQUIRED TO BE FILED WITH THE SEC OR OTHERWISE MAKE SUCH INFORMATION PUBLIC.

Financial Projection General Assumptions

Basis of presentation

- Projections are non-GAAP and not created in accordance with American Institute of Certified Public Accountants Statement of Position 90-7.
- Reorganized Foresight assumed to be a taxable entity. Taxes paid based on an assumed tax rate based on management guidance applied projected pre-tax income under the reorganized capital structure
- Balance sheet projections include emergence sources and uses for illustrative purposes only
- H1 2020 financial projections reflect actual sales and other select items for January and February 2020.

Key Income Statement Assumptions:

I. *Total Tons Sold* – Projected tons sold are the aggregation of both committed and open tons expected to be sold. Total tons sold are projected to be 17.5 million in 2020 and then hold steady at 19 million tons per year from 2021-2024.
   a. *Committed Tons* – Tons to be sold for which buyers have already entered contracts. Committed Tons include Javelin option tons.
   b. *Open Tons* – Tons to be sold for which buyers have yet to enter contracts and selling prices have yet to be determined.

II. *Revenue* – Comprises revenue from coal sales. Sales are based upon currently contracted sales, estimates of projected uncontracted tons sold, and forecasted pricing at each mining complex.

		H1 2020	H2 2020	2020	2021	2022	2023	2024
Domestic Committed Tons Sold	mm tons	4.8	7.6	12.4	6.3	5.2	1.0	-
Export Committed Tons Sold	mm tons	2.5	2.6	5.0	6.1	2.0	-	-
Total Committed Tons Sold	**mm tons**	**7.2**	**10.2**	**17.4**	**12.4**	**7.2**	**1.0**	**-**
Domestic Open Tons	mm tons	0.0	0.0	0.1	6.6	8.8	13.0	14.0
Export Open Tons	mm tons	-	-	-	-	3.0	5.0	5.0
Total Open Tons	**mm tons**	**0.0**	**0.0**	**0.1**	**6.6**	**11.8**	**18.0**	**19.0**
Total Tons Sold	**mm tons**	**7.2**	**10.2**	**17.5**	**19.0**	**19.0**	**19.0**	**19.0**
Committed Gross Price	**$/ton**	**$30.72**	**$32.23**	**$31.60**	**$29.99**	**$36.39**	**$37.30**	**--**
Open Gross Price	**$/ton**	**$33.00**	**$33.00**	**$33.00**	**$34.42**	**$31.45**	**$30.98**	**$31.09**
Total Gross Price	**$/ton**	**$30.73**	**$32.23**	**$31.61**	**$31.54**	**$33.31**	**$31.32**	**$31.09**

III. *Costs and Expenses (ex. Transportation, SG&A and Other)* – Comprises costs associated with the production of coal, purchase of coal, royalty expenses, depreciation and amortization, and other costs. Royalty expenses include payments on the renegotiated terms of the sale leaseback agreements.

IV. *Transportation Costs* – Reflect costs related to the handling and transporting of coal to the point of sale.

V. *Selling, General and Administrative Expenses ("SG&A")* – SG&A expenses include reduced expenses related to Foresight's anticipated renegotiation of its Management Services Agreement with Murray Energy, select SG&A costs not covered under the Management Services Agreement and commission expenses on coal sales.

VI. *Other Expense / (Income)* – Reflects a one-time gain realized in January 2020.

VII. *Interest Expense, net* – Reflects cash interest payments on post-emergence debt, interest income, and other interest expense.
VIII. *Income Taxes* – Combined federal and state income tax rate of 28% based on management guidance. Income taxes do not reflect the impact of cancellation of debt income or other potential case-related impacts.
IX. *Depreciation, Depletion, and Amortization ("DD&A")* – DD&A expenses relate to declines in long-lived assets, including plant, equipment, and coal reserves. DD&A expenses do not reflect the impact of fresh start accounting.
X. *Accretion on AROs* – Represents the non-cash accretion of liabilities associated with Asset Retirement Obligations ("ARO").
XI. *Amortization of contracts, net* – Reflects reversal of benefit related to favorable sales and royalty contract assets and liabilities related to Foresight's pushdown accounting.
XII. *Murray Energy Transport Lease and Overriding Royalty Agreements* – Assumes that Murray Energy rejects the lease and royalty agreements related to its Century Mine with no further cash payments.
XIII. Projections reflect the final terms of various counterparty renegotiations agreed to as part of the RSA.

Key Cash Flow Statement Assumptions

I. *Change in Net Working Capital and Other* – Reflects changes in working capital accounts and long-term assets and liabilities.
II. *Change in longwall move costs* – Reflects the changes in deferred amount of direct costs associated with longwall moves, including longwall set-up costs, labor and supply costs to perform the move and refurbishment costs of longwall equipment.
III. *Capital Expenditures* – Capital expenditures comprise cash outflows primarily for continued investment in mine development, mining equipment and maintenance costs.
IV. Assumes no repayment of debt throughout the projection period.
V. Select cash flows currently expected in early July assumed to be funded as part of the emergence from bankruptcy and therefore excluded from the H2 2020.

Key Balance Sheet Assumptions

I. No fresh start accounting reflected.
II. H1 2020 ending balance sheet as per management guidance.
III. Liabilities related to Sale Leaseback Financing Arrangements are eliminated based on renegotiated terms with an associated reduction to Property, Plant and Equipment. Adjustment reflected in the pre-adjusted balance as of H1 2020. Final accounting treatment of these liabilities is to be determined.
IV. Starting Balance Sheet as of June 30, 2020 adjusted for anticipated plan exit financial structure.
    a. Assumed cash and cash equivalents of $30 million at emergence.
    b. Pro Forma for $225 million Exit Facility Term Loan.

Exhibit 1

Financial Projections

Exhibit 1

Non-GAAP Income Statement

US$ millions	**H1 2020**	**H2 2020**	**2020**	**2021**	**2022**	**2023**	**2024**
Total Revenue	$225.0	$332.3	$557.3	$604.2	$638.1	$600.3	$595.7
Costs and Expenses (ex. Transportation, SG&A and Other)	258.8	264.3	523.1	537.3	531.9	502.9	493.6
Transportation Expense	$18.0	$31.4	$49.4	$59.7	$64.3	$49.8	$46.0
SG&A	$6.1	$6.1	$12.1	$11.8	$11.8	$11.8	$11.8
Other Expense / (Income)	(5.4)	-	(5.4)	-	-	-	-
Operating Income	($52.5)	$30.6	($21.9)	($4.6)	$30.1	$35.8	$44.3
Interest Expense, net	($86.2)	($10.3)	($96.5)	($20.0)	($19.5)	($18.8)	($18.1)
Income before Taxes	($138.6)	$20.3	($118.4)	($24.6)	$10.6	$17.0	$26.2
Income Taxes	-	(5.7)	(5.7)	-	(3.0)	(4.8)	(7.3)
Net Income	($138.6)	$14.6	($124.0)	($24.6)	$7.6	$12.3	$18.9
Adjusted EBITDA:							
Net Income	($138.6)	$14.6	($124.0)	($24.6)	$7.6	$12.3	$18.9
Interest Expense, net	86.2	10.3	96.5	20.0	19.5	18.8	18.1
Depreciation, Depletion, and Amortization	86.0	76.8	162.8	149.6	139.2	129.6	123.0
Accretion on AROs	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Amortization of contracts, net	(5.7)	(5.7)	(11.5)	(4.7)	(4.7)	(4.7)	(4.7)
Other Adjustments	0.4	6.1	6.6	0.9	3.9	5.7	8.3
Adjusted EBITDA	**$29.3**	**$103.1**	**$132.4**	**$143.2**	**$167.5**	**$163.6**	**$165.5**

Non-GAAP Statement of Cash Flows

US$ millions	**H2 2020**	**2021**	**2022**	**2023**	**2024**
Net Income	$14.6	($24.6)	$7.6	$12.3	$18.9
Depreciation & Amortization	76.8	149.6	139.2	129.6	123.0
Accretion on AROs	1.0	2.0	2.0	2.0	2.0
Change in Working Capital and Other	(0.9)	(4.6)	(9.1)	(6.4)	(5.4)
Change in Deferred longwall move costs	(2.4)	(13.9)	10.6	(9.1)	3.2
Operating Cash Flow	**$89.0**	**$108.5**	**$150.3**	**$128.3**	**$141.7**
Capital Expenditures	(7.9)	(63.9)	(81.2)	(59.5)	(66.5)
Repayment of Debt	-	-	-	-	-
Change in Cash	**$81.1**	**$44.6**	**$69.1**	**$68.8**	**$75.2**

Non-GAAP Balance Sheet

US$ millions	H1 2020	Adjustment	PF H1 2020	2020	2021	2022	2023	2024
Assets								
Cash & cash equivalents	($3.9)	$33.9	$30.0	$111.1	$155.7	$224.8	$293.6	$368.8
Accounts receivable	49.0	-	49.0	52.6	51.4	52.1	51.4	51.3
Coal inventory	31.9	-	31.9	19.2	19.2	19.2	19.2	19.2
Parts & supplies inventory	19.2	-	19.2	19.2	19.2	19.2	19.2	19.2
Prepaid expenses and other current assets	9.2	-	9.2	8.9	8.9	8.9	8.9	8.9
Deferred longwall move costs	27.1	-	27.1	29.6	43.4	32.8	41.9	38.7
Total Current Assets	**$132.5**	**$33.9**	**$166.5**	**$240.5**	**$297.8**	**$356.9**	**$434.1**	**$506.0**
Total PP&E, net	**$1,820**	**$ -**	**$1,820**	**$1,735**	**$1,649**	**$1,591**	**$1,520**	**$1,463**
Restricted cash & Deposits	$13.9	$ -	$13.9	$18.7	$18.7	$18.7	$18.7	$18.7
Other long-term assets	14.8	-	14.8	14.8	14.8	14.8	14.8	14.8
Total Long-Term Assets	**$28.7**	**$ -**	**$28.7**	**$33.5**	**$33.5**	**$33.5**	**$33.5**	**$33.5**
Total Assets	**$1,981.4**	**$33.9**	**$2,015.3**	**$2,009.3**	**$1,980.5**	**$1,981.2**	**$1,987.9**	**$2,002.9**
Liabilities & Shareholder Equity								
Accounts payable	$116.6	-	$116.6	$112.3	$115.7	$116.8	$114.6	$113.8
Payroll and related expenses	9.5	-	9.5	9.5	10.2	10.3	10.3	10.3
Accrued Expenses	29.4	-	29.4	29.2	25.4	21.9	21.6	21.7
Asset retirement obligation-current portion	3.3	-	3.3	3.3	3.3	3.3	3.3	3.3
Other Current Liabilities	17.1	-	17.1	4.1	3.4	3.4	3.4	3.4
Total Current Liabilities	**$176.0**	**$ -**	**$176.0**	**$158.5**	**$157.9**	**$155.6**	**$153.2**	**$152.5**
Total Debt	$1,389.9	($1,164.9)	$225.0	$225.0	$225.0	$225.0	$225.0	$225.0
LT Asset retirement obligations	55.6	-	55.6	56.7	58.7	60.7	62.7	64.7
Long-Term Liabilities	68.0	-	68.0	63.9	58.3	51.7	46.5	41.3
Total Liabilities	**$1,689.6**	**($1,164.9)**	**$524.7**	**$504.1**	**$499.9**	**$493.0**	**$487.4**	**$483.5**
Shareholder Equity	**$291.8**	**$1,198.8**	**$1,490.6**	**$1,505.2**	**$1,480.6**	**$1,488.3**	**$1,500.5**	**$1,519.4**
Liabilities & Shareholder Equity	**$1,981.4**	**$33.9**	**$2,015.3**	**$2,009.3**	**$1,980.5**	**$1,981.2**	**$1,987.9**	**$2,002.9**